franc without change. France also announced measures of internal restraint, restored tight exchange controls, and made limited adjustments in border taxes designed to strengthen its trade position. The impact of these measures on France's current account alone has been estimated to be as much as $1 billion in 1969. Finally, the authorities of the United Kingdom introduced a system of import deposits, increased internal taxation, and imposed additional credit restraints as a means of assuring their balance of payments objective of a substantial surplus by the end of 1969. At the same time, a large multilateral credit arrangement, amounting to $2 billion, was established by the monetary authorities of the Group of Ten, Switzerland, Norway, Denmark and the Bank for International Settlements, to support the French franc.

Thus the franc-Deutschemark speculative crisis was met by a further instance of international cooperation, in which actions were taken to reduce imbalances by both deficit and surplus countries, and financial support was mobilized for a threatened currency. The exchange difficulties in November were confined to the major European currencies. Unlike the gold crisis earlier in the year, there was no drain on the reserves of the United States.

Since November 25, the pressure on the franc has subsided and funds have been flowing from Germany.

Nevertheless, this crisis demonstrated once again that very large amounts of funds may move in response to concerns regarding domestic inflation or the possibility of gain through monetary appreciation. It underlined the need for continuing efforts to strengthen cooperation among the monetary authorities.

One important aspect in the pursuit of this ideal is the completion of ratification and the early activation of the Special Drawing Rights facility. Other techniques for strengthening the system will need to be explored as experience accumulates.

Further evolution of the international monetary system may not involve such fundamental changes as we have seen in 1968. However, it is important that, while conserving our proven arrangements, we be prepared to consider future changes in the international monetary system with an open mind. It is also essential that we continue to build upon the foundations of multinational cooperation that have been developed in recent years.

At many times in the past, there has been a tendency to look upon international monetary problems from a narrow nationalistic and short-range view. In recent years, we have made significant progress toward establishing the principle of cooperative multilateral action in handling the financial affairs which affect the major countries and major currencies. If this principle is observed, we can be assured that future changes in the system will be discussed and agreed upon in a